

STATEMENT OF THE HONORABLE WM LACY CLAY
Before the
SUBCOMMITTEE ON CAPITAL MARKETS, INSURANCE, AND
GOVERNMENT SPONSORED ENTERPRISES

**“Retirement Security: What Seniors Need to Know about Protecting Their
Futures”**

May 15, 2003

Good morning Mr. Chairman, Members of the Committee and witnesses. The issues of the hearing today are quite close to home. I am middle aged and will soon deal with the issues of older Americans personally. Everyone on the committee is either middle aged, will soon be, used to be or has parents that are middle aged or older.

This is not a time of life when everything will take care of itself just because we have lived a long time. This is a time of life when our earnings from employment are nearing their end or the end of the peak earnings period of our lives. For many of us, the financial responsibilities remain though our income level drops dramatically. It is this drop in income that is troubling and causes much of the economic difficulties faced by our older Americans.

This time of economic adjustments can be made much smoother and in most cases, a wonderful transition. Planning is the element that can make all the difference. Nothing about retirement is automatic. Social Security is threatened, many investment portfolios have been devastated by the market of recent years, pensions have been victimized by corporate raiders, and job losses in middle age have adversely affected all of the above.

Retirement security is a subject that is to be addressed to Americans of all ages. This hearing will address several financial options available especially some of those that will allow investors to guard against outliving their assets. Increased awareness of the benefits of annuities, long-term care insurance, and viatical settlements are a necessity in today's retirement marketplace.

The regulation of many of these financial products differs greatly among the States as to the degree of disclosure, consumer protection requirements and definitions of the products. We must find some way to bring uniformity to these areas without suppressing the rights of states to regulate.

Mr. Chairman, I ask unanimous consent to submit my statement to the record.

